

Recording Requested By:

Braddock & Logan Group II, L.P.

When Recorded, Mail To:

Bruce Wolfe, Executive Officer
California Regional Water Quality Control Board
San Francisco Bay Region
1515 Clay Street, Suite 1400
Oakland, California 94612

CERTIFIED TO BE A TRUE COPY
OF DOCUMENT RECORDED 3-29-04
SERIES NO. 2004-128910
OFFICIAL RECORDS OF ALAMEDA COUNTY
Chicago Title Co.

BY 

SI 99A0000

**COVENANT AND ENVIRONMENTAL RESTRICTION
ON PROPERTY**

Former McKesson Chemical Company Property
33950 Seventh Street
Union City, California

This Covenant and Environmental Restriction on Property ("Covenant") is made as of the 23rd day of March, 2004 by McKesson Corporation ("McKesson"), which is the prior Owner of record of that certain property situated at 33950 Seventh Street in the City of Union City, County of Alameda, State of California, which is more particularly described in the attached Exhibit A incorporated here by this reference ("Burdened Property"), and by Braddock & Logan Group II, L.P., a California limited partnership ("Covenantor"), for the benefit of the California Regional Water Quality Control Board for the San Francisco Bay Region ("Board"), with reference to the following facts:

A. Presence of Hazardous Materials at the Burdened Property. The Burdened Property and deep soil and groundwater underlying the property contain hazardous materials.

B. Contamination and Remediation of the Burdened Property. Soil approximately 35 feet below the ground surface at the Burdened Property was contaminated by chemical storage and handling operations conducted by McKesson Chemical Company between 1971 and 1986. The deep soil and groundwater contain organic chemicals including tetrachloroethene and other volatile organic compounds ("VOCs"), which constitute hazardous materials as that term is defined in Health & Safety Code Section 25260. The portions of the Burdened Property's soil and groundwater containing VOCs are described more particularly in the Revised Remedial Action Plan Addendum and its references, prepared by McKesson and filed with the Board on July 2, 1999. The nature and extent of the VOCs in the soil and groundwater at the Burdened Property have been defined and a remedial plan acceptable to the Board has been developed by McKesson and is currently being implemented at the Burdened Property under Board Final Site Cleanup Requirements Order Number 99-071 ("Order"), which was adopted by the Board on September 15, 1999. The Board may amend, revise or rescind this Order, as appropriate, in the future. Remedial work that has been completed includes excavation and offsite disposal of contaminated soil, and soil vapor extraction and treatment. Ongoing remediation consists of groundwater extraction and treatment.

C. Potential Exposure Pathways. The contaminants addressed in this Covenant are present in soil near the groundwater table, which is found at a depth between approximately 35 and 45 feet below the ground surface, and in groundwater beneath the Burdened Property. The mitigation measures that have been performed on the Burdened Property effectively prevent human exposure to the contamination. Without the mitigation measures that have been performed on the Burdened Property, exposure to these contaminants could take place via deep excavation and contact with in-place groundwater or use of contaminated groundwater as a drinking water supply. Exposure to pollutants could also take place via inhalation of vapors that have migrated upward from soil or groundwater and collect in structures. The risk of public exposure to the contaminants has been substantially lessened by the remediation implemented by McKesson as referenced in this Covenant. The residual chemicals that currently remain in soil and groundwater beneath the Burdened Property do not present an unacceptable risk to commercial, residential or recreational use of the Burdened Property.

D. Adjacent Land Uses and Population Potentially Affected. The Burdened Property was used for industrial purposes and is adjacent to other industrial, commercial, residential, recreational and school land uses. The Burdened Property has been proposed for development into a single-family residential subdivision to be constructed by the Covenantor, consistent with the City's General Plan.

E. Disclosures. Full and voluntary disclosure to the Board of the presence of hazardous materials at the Burdened Property has been made and extensive sampling of the Burdened Property has been conducted.

F. Covenantor's Intent. McKesson and Covenantor desire and intend that to benefit the Board and to protect the present and future public health and safety, the Burdened Property shall be used in such a manner as to avoid potential harm to persons or property that may result from hazardous materials that may have been deposited on portions of the Burdened Property.

G. Vapor Mitigation Barrier. To assure continued protection of human health within structures on the Burdened Property, a vapor barrier must be installed and maintained beneath all structures for habitation on the Burdened Property. No Owner shall interfere with or damage the integrity of the vapor barrier beneath their structures.

H. Environmental Fact Sheet. An Environmental Fact Sheet has been prepared for the Burdened Property and is attached as "Exhibit C" and incorporated here by this reference. Copies of the Environmental Fact Sheet shall be available from the Covenantor and the Owner. Prospective purchasers of the Burdened Property must be made aware of the existence of the Environmental Fact Sheet and a copy provided to them prior to entering into any sales agreement. The seller is responsible for providing a copy of the Fact Sheet to prospective purchasers.

ARTICLE I GENERAL PROVISIONS

1.1 Provisions to Run with the Land. This Covenant sets forth protective provisions, covenants, conditions and restrictions (collectively referred to as "Restrictions") upon and subject to which the Burdened Property and every portion thereof shall be improved, held, used,

occupied, leased, sold, hypothecated, encumbered, and/or conveyed. The restrictions set forth in Article III are reasonably necessary to protect present and future human health and safety or the environment as a result of the presence on the land of hazardous materials. Each and all of the Restrictions shall run with the land, and pass with each and every portion of the Burdened Property, and shall apply to, inure to the benefit of, and bind the respective successors in interest thereof, for the benefit of the Board and all Owners and Occupants. Each and all of the Restrictions are imposed upon the entire Burdened Property unless expressly stated as applicable to a specific portion of the Burdened Property. Each and all of the Restrictions run with the land pursuant to section 1471 of the Civil Code. Each and all of the Restrictions are enforceable by the Board.

1.2 Concurrence of Owners and Lessees Presumed. All purchasers, lessees, or possessors of any portion of the Burdened Property shall be deemed by their purchase, leasing, or possession of such Burdened Property to be in accord with the foregoing and to agree for and among themselves, their heirs, successors, and assignees, and the agents, employees, and lessees of such owners, heirs, successors, and assignees, that the Restrictions must be adhered to for the benefit of the Board and the Owners and Occupants of the Burdened Property and that the interest of the Owners and Occupants of the Burdened Property shall be subject to the Restrictions.

1.3 Incorporation into Deeds and Leases. Covenantor desires and covenants that the Restrictions shall be incorporated by reference in all deeds of any portion of the Burdened Property and disclosed to all tenants or Occupants of any portion of the Burdened Property to the extent applicable to their use of the Burdened Property and/or to the extent required by Health & Safety Code Section 25359.7 or other applicable law. Recordation of this Covenant shall be deemed to make it binding on all successors, assigns, and lessees, regardless of whether a copy of this Covenant has been attached to or incorporated into any given deed or lease.

1.4 Purpose. It is the purpose of this instrument to convey to the Board real property rights, which will run with the land, to facilitate the remediation of past environmental contamination and to protect human health and the environment by reducing the risk of exposure to residual hazardous materials.

ARTICLE II DEFINITIONS

2.1 Board. "Board" shall mean the California Regional Water Quality Control Board for the San Francisco Bay Region and its successor agencies, if any.

2.2 Improvements. "Improvements" shall mean all buildings, roads, driveways, regradings, and paved parking areas, constructed or placed upon any portion of the Burdened Property.

2.3 Occupants. "Occupants" shall mean Owners and those persons entitled by ownership, leasehold, or other legal relationship to the right to use and/or occupy all or any portion of the Burdened Property.

2.4 Owner or Owners. "Owner" or "Owners" shall mean McKesson, the Covenantor and/or their successors in interest who hold title to all or any portion of the Burdened Property.

ARTICLE III
DEVELOPMENT, USE AND CONVEYANCE OF THE PROPERTY

3.1 Restrictions on Development and Use. Covenantor promises to restrict the use of the Burdened Property as follows:

- a. No Owners or Occupants of the Burdened Property or any portion thereof shall conduct any excavation work that requires dewatering of infiltrating groundwater on the Burdened Property unless expressly permitted in writing by the Board. Any contaminated soils brought to the surface by grading, excavation, trenching, or backfilling shall be managed by Owners and Occupants or their agents in accordance with all applicable provisions of local, state and federal law.
- b. No Owners or Occupants of the Burdened Property shall interfere with or damage the vapor barrier installed beneath the slab of each structure. No additional residential structures shall be constructed on the Burdened Property without the installation of an adequate vapor barrier.
- c. All uses and development of the Burdened Property shall be consistent with the Institutional Constraints Report dated November 12, 1999, which is attached as Exhibit B to this Covenant. All uses, development and construction of Improvements at the Burdened Property shall preserve the integrity of any remedial measures taken or remedial equipment installed, including any groundwater extraction, treatment, and monitoring systems installed on the Burdened Property pursuant to the requirements of the Board, unless otherwise expressly permitted in writing by the Board.
- d. No Owners or Occupants of the Burdened Property or any portion thereof shall drill, bore, otherwise construct, or use a well for the purpose of extracting water for any use including but not limited to, domestic, potable or industrial uses, unless expressly permitted in writing by the Board.
- e. The then current Owner or McKesson shall notify the Board of each of the following:
(1) the type, cause, location and date of any disturbance to any remedial measures taken or remedial equipment installed, including any of the groundwater extraction, treatment, and monitoring systems installed on the Burdened Property pursuant to the requirements of the Board, which could affect the ability of such remedial measures, remedial equipment, or groundwater extraction, treatment, and monitoring systems to perform their respective functions and (2) the type and date of repair of such disturbance. Notifications to the Board shall be made by registered mail within ten (10) working days of both the discovery of such disturbance and the completion of repairs.
- f. The Owners and Occupants agree that the Board, and/or any persons acting pursuant to Board orders, including Covenantor, shall have reasonable access to the Burdened Property for the purposes of inspection, surveillance, maintenance, or monitoring, as provided for in Division 7 of the Water Code. The Owners and Occupants further agree that Covenantor shall have reasonable access to conduct groundwater extraction, treatment and monitoring and such other remedial work as is necessary to comply with Board orders.

g. No Owner or Occupant of the Burdened Property shall act in any manner that will aggravate or contribute to the existing environmental conditions of the Burdened Property.

3.2 Enforcement. Failure of an Owner or Occupant to comply with any of the restrictions, as set forth in paragraph 3.1, shall be grounds for the Board, by reason of this Covenant, to file civil actions against the Owner as provided by law.

3.3 Notice in Agreements. After the date of recordation of this Covenant, all Owners and Occupants shall execute a written instrument, which shall accompany all purchase agreements or leases relating to the property. Any such instrument shall contain the following statement:

“The land and underlying groundwater described herein contains residual hazardous materials in deep soil and groundwater and are subject to a Covenant and Environmental Restriction on Property (“Environmental Deed Restriction”) recorded in the Official Records of Alameda County, which imposes certain covenants, conditions, and restrictions on usage of the property. Incorporated into the Environmental Deed Restriction as “Exhibit C” is an Environmental Fact Sheet. The Environmental Fact Sheet has been prepared to provide an understanding of the conditions on the property. Any owner selling any portion of the property in the Wildrose subdivision must provide a copy of the Environmental Fact Sheet to all prospective purchasers of the property, prior to their waiving final conditions to purchase any portion of the property. In addition, the prospective purchaser must be allowed a minimum of two (2) business days to review the Environmental Fact Sheet, prior to waiving final conditions to purchase. Should any buyer request copies of the Deed Restriction, the seller must provide copies to the buyer in a timely manner. This statement is not a declaration that a hazard exists on this property.”

ARTICLE IV VARIANCE AND TERMINATION

4.1 Variance. Any Owner or, with the Owner’s consent, any Occupant of the Burdened Property or any portion thereof may apply to the Board for a written variance from the provisions of this Covenant.

4.2 Termination. Any Owner or, with the Owner’s consent, any Occupant of the Burdened Property or a portion thereof may apply to the Board for a termination of the restrictions as they apply to all or any portion of the Burdened Property.

4.3 Term. Unless terminated in accordance with paragraph 4.2 above, by law or otherwise, this Covenant shall continue in effect in perpetuity.

ARTICLE V MISCELLANEOUS

5.1 No Dedication Intended. Nothing set forth herein shall be construed to be a gift or dedication, or offer of a gift or dedication, of the Burdened Property or any portion thereof to the general public.

5.2 Notices. Whenever any person gives or serves any notice, demand, or other communication with respect to this Covenant, each such notice, demand, or other communication shall be in writing and shall be deemed effective (1) when delivered, if personally delivered to the person being served or official of a government agency being served, or (2) three (3) business days after deposit in the mail if mailed by United States mail, postage paid certified, return receipt requested:

If To: "McKesson"
McKesson Corporation
Attention: Ms. Jean A. Mescher
Director of Environmental Services
One Post Street, 34th Floor
San Francisco, California 94104

If To: "Covenantor"
Braddock & Logan Group II, L.P.
c/o Braddock & Logan Services, Inc.
4155 Blackhawk Plaza Circle, Suite 201
Danville, California 94506-4613

If To: "Board"
Regional Water Quality Control Board
San Francisco Bay Region
Attention: Executive Officer
1515 Clay Street, Suite 1400
Oakland, California 94612

5.3 Partial Invalidity. If any portion of the restrictions or terms set forth herein is determined to be invalid for any reason, the remaining portion shall remain in full force and effect as if such portion had not been included herein.

5.4 Article Headings. Headings at the beginning of each numbered article of this Covenant are solely for the convenience of the parties and are not a part of the Covenant.

5.5 Recordation. This instrument shall be executed by McKesson, the Covenantor and by the Executive Officer of the Board. This instrument shall be recorded by the Covenantor in the County of Alameda within ten (10) days of the date of execution.

5.6 References. All references to Code sections include successor provisions.

5.7 Construction. Any general rule of construction to the contrary notwithstanding, this instrument shall be liberally construed in favor of the Covenant to effect the purpose of this instrument and the policy and purpose of the Water Code. If any provision of this instrument is found to be ambiguous, an interpretation consistent with the purpose of this instrument that would render the provision valid shall be favored over any interpretation that would render it invalid.

IN WITNESS WHEREOF, the parties execute this Covenant as of the date set forth above.

McKesson:

McKesson Corporation

By: 

Title: Treasurer

Date: 03.03.04

NICHOLAS LOIACAVO

Covenantor:

Braddock & Logan Group II, L.P.

By: 

Title: Financial Officer

Date: 3/2/04

THOMAS W. THOMPSON

Board:

State of California Regional Water Quality Board,
San Francisco Bay Region

By: 

Title: Executive Officer

Date: 3/23/04

BRUCE WOLFE

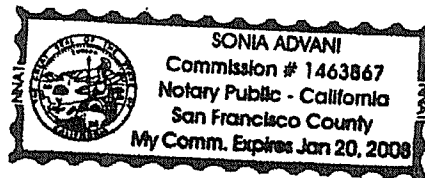
STATE OF CALIFORNIA)
)
COUNTY OF San Francisco

On 3rd March, 2004 before me, the undersigned a Notary Public in and for said state, personally appeared Nicholas Laiscan for McKesson Corporation, personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument.

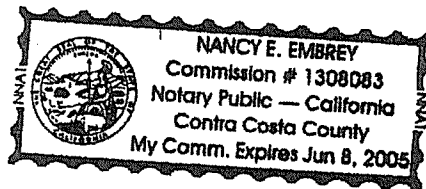
WITNESS my hand and official seal.

Sonia Advani

Notary Public in and for said
County and State



STATE OF CALIFORNIA)
)
COUNTY OF CONTRA COSTA



On March 5, 2004 before me, the undersigned a Notary Public in and for said state, personally appeared THOMAS W. THOMPSON for Braddock & Logan Group II, L.P., personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument.

WITNESS my hand and official seal.

Nancy E. Embrey
Notary Public in and for said
County and State

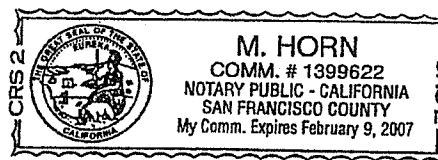
STATE OF CALIFORNIA)
COUNTY OF San Francisco)

On 3/23, 2004 before me, the undersigned a Notary Public in and for said state, personally appeared BRUCE WOLFE, Executive Officer of the California Regional Water Quality Control Board, San Francisco Bay Region, personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument.

WITNESS my hand and official seal.

M. Horn

Notary Public in and for said
County and State



ILLEGIBLE NOTARY SEAL DECLARATION

(GOVERNMENT CODE 27361.7)

I declare under penalty of perjury that the notary seal on the document
to which this statement is attached, reads as follows:

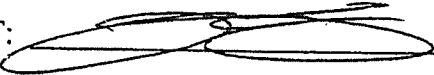
NAME OF NOTARY PUBLIC: SONA ADVANI

COMMISSION NUMBER: 1463867

NOTARY PUBLIC STATE: CALIFORNIA

COUNTY: SAN FRANCISCO

MY COMM. EXPIRES: 1.10.08
(DATE)

SIGNATURE OF DECLARANT: 

PRINT NAME OF DECLARANT: ROSS KENNEDY

CITY & STATE OF EXECUTION: PLEASANTON, CA.

DATE SIGNED: 3.26.04

THE ABOVE INFORMATION MUST BE LEGIBLE FOR SCANNING

ILLEGIBLE NOTARY SEAL DECLARATION

(GOVERNMENT CODE 27361.7)

I declare under penalty of perjury that the notary seal on the document
to which this statement is attached, reads as follows:

NAME OF NOTARY PUBLIC: NANCY EMBREY

COMMISSION NUMBER: 1308083

NOTARY PUBLIC STATE: CALIFORNIA

COUNTY: CONTRA COSTA

MY COMM. EXPIRES: 6-8-05
(DATE)

SIGNATURE OF DECLARANT: 

PRINT NAME OF DECLARANT: ROSS KENNEDY

CITY & STATE OF EXECUTION: PLEASANTON, CA.

DATE SIGNED: 3-26-04

THE ABOVE INFORMATION MUST BE LEGIBLE FOR SCANNING

ILLEGIBLE NOTARY SEAL DECLARATION

(GOVERNMENT CODE 27361.7)

I declare under penalty of perjury that the notary seal on the document
to which this statement is attached, reads as follows:

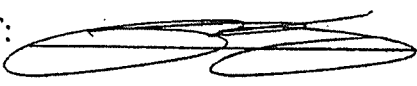
NAME OF NOTARY PUBLIC: M. HORN

COMMISSION NUMBER: 1399622

NOTARY PUBLIC STATE: CALIFORNIA

COUNTY: SAN FRANCISCO

MY COMM. EXPIRES: 2-9-07
(DATE)

SIGNATURE OF DECLARANT: 

PRINT NAME OF DECLARANT: ROSS KENNEDY

CITY & STATE OF EXECUTION: PLEASANTON, CA.

DATE SIGNED: 3-26-04

THE ABOVE INFORMATION MUST BE LEGIBLE FOR SCANNING

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

LEGAL DESCRIPTION

CITY OF UNION CITY

LOTS 1 THROUGH 62, INCLUSIVE, OF TRACT MAP 7393 FILED DECEMBER 30, 2003, IN BOOK 273 OF MAPS, PAGES 59 THROUGH 63, INCLUSIVE, OFFICIAL RECORDS OF ALAMEDA COUNTY.

EXCEPTING THEREFROM, THAT PORTION OF SAID PROPERTY LYING BELOW A DEPTH OF 500 FEET, MEASURED VERTICALLY, FROM THE CONTOUR OF THE SURFACE THEREOF; PROVIDED HOWEVER, THAT SAID GRANTOR, ITS SUCCESSORS AND ASSIGNS, SHALL NOT HAVE THE RIGHT FOR ANY AND ALL PURPOSES TO ENTER UPON, INTO OR THROUGH THE SURFACE OR THE PORTION OF SAID PROPERTY LYING ABOVE 500 FEET, MEASURED VERTICALLY, FROM THE CONTOUR OF THE SURFACE OF SAID PROPERTY, AS RESERVED IN THE DEED EXECUTED BY SOUTHERN PACIFIC TRANSPORTATION COMPANY, A DELAWARE CORPORATION, TO FOREMOST-MCKESSON, INC., A CORPORATION, RECORDED AUGUST 26, 1970, IN REEL 2679, IMAGE 883, OFFICIAL RECORDS OF ALAMEDA COUNTY.

ASSESSOR'S PARCEL NOS. 087-0021-015 (PORTION) AND 087-0021-006-03 (PORTION)

EXHIBIT B

NOVEMBER 12, 1999 INSTITUTIONAL CONSTRAINTS REPORT



Transmitted Via U.S. Mail

November 12, 1999

Mr. Ade Fagorala
California Regional Water Quality Control Board,
San Francisco Bay Region
1515 Clay Street, Suite 1400
Oakland, California 94612

Subject: Institutional Constraints Report
Former McKesson Chemical Company Site
33950 Seventh Street
Union City, CA
Project # 97017.100

Dear Mr. Fagorala:

The Final Site Cleanup Requirements Order (Order) for the Former McKesson Chemical Company facility (Site), located at 33950 Seventh Street in Union City, was adopted by the California Regional Water Quality Control Board, San Francisco Bay Region (RWQCB) on July 15, 1999. Item C.1 of the Order requires that a technical report be submitted by November 15, 1999, documenting procedures used by the discharger to minimize human exposure to groundwater before cleanup standards are met. This document fulfills that requirement. The following paragraphs provide a description of the remediation system and the current and planned procedures to minimize the potential for human exposure to shallow groundwater. A draft deed restriction prohibiting the use of shallow groundwater at the Site as a source of drinking water is also attached.

BACKGROUND

Groundwater is pumped to a treatment building on the McKesson property from twenty shallow aquifer zone extraction wells and one intermediate aquifer zone well. The combined flow rate from these wells is approximately 100 gallons per minute. After treatment, the water is discharged to the storm drain under NPDES Permit No. CAG912003.

Since 1991, when the larger groundwater extraction program began, approximately 258,000,000 gallons of groundwater and approximately 4,300 pounds of volatile organic compounds (VOCs) have been removed. Operation of the groundwater extraction and treatment system has resulted in a significant reduction in VOCs detected in the onsite shallow groundwater. The maximum total VOC concentrations detected in onsite monitoring wells have decreased by approximately 99% as compared the maximum VOC concentrations detected before 1991.

SYSTEM SAFETY FEATURES

The groundwater conveyance system contains approximately 8,000 feet of double contained piping, seven leak detection vaults, and a bermed containment area within the treatment building. Safety features of the groundwater system include:

- Sloped double contained piping to leak detection vaults with float activated automatic shutdown,
- Float activated automatic shutdown within bermed area of treatment building,
- High water level automatic shutdown for the influent surge tank and air strippers,
- High pressure automatic shutdown, and
- Automatic telephone notification when either the groundwater system or Padre system automatically shuts down.


The standard system operation and maintenance schedule includes inspection of each well vault at least twice a year and annual inspection of leak detection vaults. The automatic shutdown floats within the building and in the leak detection vaults are manually activated at least once a year to check their operational status.

McKesson HBOC, Inc. has been a member of the Underground Service Alert (USA) notification system since 1991, when the groundwater system was installed. USA provides notification of planned construction activities with a ½ mile radius of the piping system. When a contractor contacts USA about subsurface work within the project area, OMEGA Environmental Management, Inc. (OMEGA) is notified via e-mail of the proposed work location, start date, and a contact telephone number. If the work is in close proximity to any of the extraction wells or piping, the buried piping or well locations are marked with blue paint. If a contractor is excavating in the area without notifying USA, the presence of a buried feature is indicated by the presence of an easily identifiable clean white sand that was used to backfill the trench. As an added precaution, yellow caution tape and blue metallic tape are present on top of the sand. Together these measures provide sufficient safeguards to minimize the possibility of human exposure to Site groundwater.

If you have any questions, please feel free to contact me at (707) 775-2500.

Very truly yours,

OMEGA ENVIRONMENTAL MANAGEMENT, INC.


R. Bruce Scheibach, R.G., C.H.
Principal Hydrogeologist

Attachment: Covenant to Restrict Use of Property: Environmental Restriction

cc: Ms. Jean A. Mescher
Carol S. Ungvarsky, Esq.
Thomas D. Trapp, Esq. ✓
Steven D. Inn
Jay G. Swardenski
Dr. Chari Madabhushi

rbs/111299RWQCBlet

OMEGA Environmental Management, Inc.

EXHIBIT C

ENVIRONMENTAL FACT SHEET
WILDROSE RESIDENTIAL DEVELOPMENT

ENVIRONMENTAL FACT SHEET

WILDROSE RESIDENTIAL DEVELOPMENT

Former McKesson Chemical Company Facility Union City, California

INTRODUCTION

This fact sheet has been prepared to inform community members, future residents and other interested parties about the previous uses of the former McKesson Chemical Company Facility property upon which the Wildrose Development has been constructed (the Site). This fact sheet discusses soil and groundwater contamination resulting from these previous uses, as well as the status of the environmental investigations, cleanup and residual risks posed by contaminants that remain on the property. The San Francisco Bay Regional Water Quality Control Board (Regional Board) is the lead regulatory agency responsible for overseeing cleanup of the Site under an existing Site Cleanup Requirements Order (Order No. 99-071). Brief summaries of the site history, investigations, facility closure and *remedial measures* are presented below. Technical terms shown in italics are defined in the glossary.

SITE DESCRIPTION, BACKGROUND AND CONTAMINATION

The Site is located at 33950 Seventh Street, Union City, in Alameda County, and lies east of Decoto Road, south of Mission Boulevard, and west of Daggett Avenue (see Figure 1).

The 8.5-acre Site was owned and operated by McKesson Chemical Company (McKesson) as an industrial chemical distribution and repackaging facility from 1971 to 1986. The facility repackaged and distributed caustics, chlorine and organic solvents. Solvent chemical handling operations at the Site resulted in soil and groundwater impacts by *volatile organic compounds* (VOCs). Since

1983 when soil and groundwater environmental studies first began, 55 *soil borings* and 58 *groundwater monitoring wells* have been installed at and in the vicinity of the Site.

In June 2003, the Site was sold to Braddock & Logan Group II, L.P. (Braddock & Logan), which is redeveloping the property for a residential development known as Wildrose. The Wildrose development consists of up to 62 single-family residential homes.

REMEDIAL MEASURES

The soil and groundwater investigations at the Site have found the likely source of the VOCs in soil and groundwater and have defined the subsurface areas containing VOCs. The VOCs that were found in the subsurface are 1,1-dichloroethene (1,1-DCE), tetrachloroethene (PCE), 1,1,1-trichloroethane (1,1,1-TCA) and trichloroethene (TCE). The *source area* of these chemicals in soil and groundwater appears to have been the former diked solvent storage area at the Site (see Figure 1).

Soil and groundwater cleanup work began in 1985. The source area soil was excavated and disposed offsite at a licensed disposal facility. Soils in this area of the Site were excavated to a depth of approximately 40 feet. To further clean up the soil, a *soil vapor extraction system* was operated from 1991 to 1997. To clean up the groundwater, *groundwater extraction and treatment systems* have been operated since 1985, and continue to operate using wells located on and off the Site. The extracted water is treated by passing it through granular

activated carbon before it is discharged to the storm drain under a permit. Currently there are 19 groundwater extraction wells and 29 groundwater monitoring wells in the vicinity of the Site. Of these, there are 7 monitoring wells and 1 extraction well located on the Site, all in public right-of-ways. Overall, the cleanup work has reduced the amount of chemicals in the soil and groundwater by more than 78% to date. The cleanup will continue until the Regional Board determines that no further action is necessary.

RESIDUAL RISKS TO FUTURE RESIDENTS

Prior to constructing homes on the former McKesson facility, several *human health risk assessments* were performed to evaluate the risk posed by residual VOCs in soil and groundwater on the property. Studies have linked VOCs to cancer and other adverse health effects. The human health risk assessments evaluated the ways one could be exposed to the residual pollutants (i.e. drinking contaminated groundwater, direct contact and ingestion of contaminated soil, inhalation of vapors that migrate upward and collect inside structures, etc.). Potential health risk occurs when the method or pathway of exposure is complete (i.e. drinking contaminated groundwater). If a pathway of exposure is incomplete, there is no associated risk (i.e., because drinking water will be provided to the Wildrose development by the Alameda County Water District and the contaminated water beneath the development will not be used, this pathway of exposure and its associated health risks have been eliminated). The only exposure pathway that was determined to be potentially complete at the Site is inhalation of VOC vapors migrating up from groundwater through the soil into indoor air. To eliminate this pathway of exposure, a vapor barrier consisting of a rubber-like material has been sprayed beneath the slab of each home. This material is designed to prevent migration of moisture and other vapors into the structure. With this vapor

barrier in place, exposure to upward migrating vapors and their associated health risks has been eliminated for all practical purposes.

Based on the risk assessments performed and considering that the vapor barrier will remain in place beneath the slabs, the residual chemicals at the Site do not pose an unacceptable health risk assuming future residential use of the land.

DEED RESTRICTIONS

To help ensure that residential use of the Site does not pose an unacceptable risk in the future, the Regional Board has required that a deed restriction be recorded to notify future property owners of the environmental conditions of the Site and the ongoing cleanup activities, to prohibit use of groundwater, and to prevent any tampering with the installed vapor barrier. In addition, Braddock & Logan will include requirements in the real estate covenants with new homeowners at the Site prohibiting property owners from damaging the vapor barriers beneath their homes. Lastly, the deed restriction required by the Regional Board requires that any owner selling any property within the Wildrose development must provide a copy of this Environmental Fact Sheet to all prospective purchasers of the property prior to their committing to purchase any portion of the property. In addition, the prospective purchaser must be allowed a minimum of two business days to review the Environmental Fact Sheet, prior to the seller accepting any purchase offer.

FUTURE FIELD ACTIVITIES

For the foreseeable future, the only continuing cleanup work will be groundwater extraction, treatment and monitoring using the wells and treatment systems that have already been built at the Site.

DRINKING WATER SOURCES FOR FREMONT, NEWARK AND UNION CITY

The Alameda County Water District (ACWD) supplies water to over 285,000 residents and thousands of businesses in Fremont, Newark and Union City. The water supply sources include: water purchased from the State Water Project (via the South Bay Aqueduct), the San Francisco Public Utilities Commission (via the Hetch Hetchy aqueduct system), and groundwater from the Niles Cone Groundwater Basin. ACWD does not extract groundwater from the vicinity of the McKesson Site.

FOR MORE INFORMATION

All agency correspondence and technical reports may be reviewed at the Regional Board office in Oakland. The Regional Board files contain all the primary reports that have been completed for the McKesson project (File No. 0150014). Future reports will be placed in these files soon after they are released.

CONTACT INFORMATION

If you have any additional questions, you may direct your calls to the following contacts:

California Regional Water Quality Control Board, San Francisco Bay Region, 1515 Clay Street, Suite 1400, Oakland, California, 94612. (510) 622-2300

GLOSSARY

Aquifer – An underground sand or silt unit with physical properties making it useful as a potential source of water.

Groundwater Extraction and Treatment System – A system that removes contaminated water from beneath the ground surface and then sends the water to a treatment facility where contaminants are removed.

Groundwater Monitoring Well – A well casing constructed with a perforated section installed to intersect the aquifer to enable collection of groundwater samples.

Remedial Measures – Cleanup actions taken to protect public health and the environment.

Human Health Risk Assessment – A comprehensive study done to evaluate the various ways humans and other organisms might come in contact with contaminants at a site and how likely it is that these contaminants might cause adverse health affects in these populations in the future.

Soil Boring – A hole in the soil made by drilling from which samples are taken.

Soil Vapor Extraction System – A system that removes subsurface soil vapors by applying a vacuum and then removes water vapor and contaminants by treatment with carbon or other media.

Source Area – The area where spills, leaks, or unauthorized releases occurred at a site. These areas usually have the highest level of pollution on site, with both soil and groundwater being impacted by the pollutant releases.

